

Table 3
Impact of Initiative No. 892 on Local Gambling Tax Revenues

Activity	CY 2003 Gross Receipts	CY 2003 Reported Local Revenue	CY 2006		CY 2007		CY 2008	
			Reduction from I-892	Estimated Revenues	Reduction from I-892	Estimated Revenues	Reduction from I-892	Estimated Revenues
Bingo *	\$112,693,162	\$1,357,540	\$613,765	\$743,775	\$681,381	\$676,159	\$681,381	\$676,159
Commercial Punchboard/Pull-tabs **	388,258,212	13,560,093	6,086,122	7,473,971	6,765,574	6,794,519	6765574.29	6,794,519
Nonprofit Punchboard/Pull-tabs ***	86,665,399	1,847,504	846,519	1,000,985	937,517	909,987	937517.3105	909,987
House-Banked Card Rooms	255,528,999	27,192,889	0	27,192,889	0	27,192,889	0	27,192,889
Non House-Banked Card Rooms	4,089,061	398,181	0	398,181	0	398,181	0	398,181
Raffles	7,075,139	29,631	0	29,631	0	29,631	0	29,631
Amusement Games	23,849,022	208,039	0	208,039	0	208,039	0	208,039
Total	\$878,158,994	\$44,593,877	\$7,546,406	\$37,047,471	\$8,384,473	\$36,209,404	\$8,384,473	\$36,209,404
Percentage Difference in Tax Revenues				-16.9%		-18.8%		-18.8%

Assumptions:

Future year estimates are based on gross receipts and local tax revenues reported in calendar year 2003.

Impacts on punchboards, pull-tabs and bingo were estimated since those games are most similar to electronic scratch ticket games.

Impacts on the other activities, such as raffles, fund raising events, and amusement games, were not estimated, but they are likely to see some decline.

No impacts on house-banked card rooms were estimated since they would operate machines under I-892 and it is not clear how gross receipts and local taxes would be affected.

* The maximum tax rate for bingo is 5% of net receipts. The taxes reported actually calculates out to be 1.2% of gross receipts. Therefore, gross receipts were reduced for each year based on the anticipated percentage decrease and then the reported rate applied.

** The maximum tax rate for commercial punchboard/pull-tabs is 5% of gross or 10% of net receipts. The taxes reported actually calculates out to be 3.5% of gross receipts. Therefore, gross receipts were reduced for each year based on the anticipated percentage decrease and then the reported rate applied.

*** The maximum tax rate for nonprofit punchboard/pull-tabs is 10% of net receipts. The taxes reported actually calculates out to be 2.1% of gross receipts. Therefore, gross receipts were reduced for each year based on the anticipated percentage decrease and then the reported rate applied.